



**BILL OWENS**  
GOVERNOR

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March 6, 2006

Mr. Darryl Francois  
Attention: Section 1813 ROW Study  
Office of Indian Energy and Economic Development  
1849 C St., N.W., Mail Stop 2749-MIB  
Washington, DC 20240

Dear Mr. Francois:

On behalf of the State of Colorado, I am submitting comments on the issue of energy rights-of-way on tribal lands. Colorado, along with many other states, would greatly benefit from a cooperative arrangement among tribes, consumer advocates and energy providers that accomplishes an equitable valuation of rights-of-way on tribal lands. Ultimately, our citizens benefit. I commend the United States Departments of Interior and Energy for examining this issue and I hope these efforts will lead to a collaborative compromise.

The issue of determining appropriate compensation to tribes for energy rights-of-ways has been a subject of debate for many years. These rights-of-way are critical for the delivery of natural gas and electricity to homes and businesses across the country. Prior to the creation of this study, there has been little if any detailed examination of how prices are set for these rights-of-way, the impact of this system on delivery of energy, or issues surrounding tribal sovereignty. Further, federal law may not provide for the use of eminent domain by certificated pipeline and electrical transmission entities. A careful assessment of these outstanding issues will be worthwhile.

The State of Colorado firmly believes that any use of another's land for the public good requires fair and just compensation. Further, while compensation to tribes must be fair and reasonable, it must also be in proportion to the burden placed on the landowner by the encroachment. It also should be uniform across the country. All parties would benefit from a fair and efficient approach to making such determinations.

The principal of proportional compensation is particularly critical to this issue during a period of time when states are experiencing record high energy prices. Families and businesses are

struggling to pay higher energy costs and government at all levels must strive to encourage and create solutions to lessen this burden. To illustrate this point, last month I signed state legislation authorizing the expenditure of \$20 million to assist low-income Coloradans with paying their heating bills. The efficient transportation of our country's energy resources is essential to creating a more permanent solution to this challenge.

Along with every other state in the nation, the State of Colorado would greatly benefit from a cooperative solution to this matter. Please let my office know if we can be of any assistance in your efforts and thank you again for the opportunity to submit my comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Owens", followed by three dots. The signature is written in a cursive, flowing style.

Bill Owens



**JIM ISGAR**  
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Energy  
Member of:  
Transportation  
Legislative Council

**Assistant Majority Leader**

March 2, 2006

To Whom It May Concern:

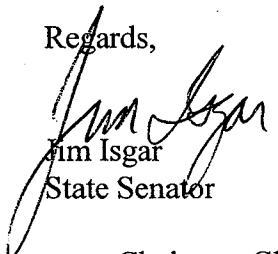
I'm pleased to provide testimony to this scoping hearing being hosted jointly by the Department of the Interior and the Department of Energy pursuant to Section 1813 of the Energy Policy Act of 2005. This process will be helpful in analyzing the status of compensation and consent issues involving energy-related rights-of-way across tribal lands.

Representatives from energy companies with interstate pipelines across tribal lands have asserted that the compensation demands made by Indian tribes for use of their lands are unfair and add unreasonably to the cost of energy to consumers in Colorado and other western States. Representatives from Indian tribes have asserted that the right-of-way acquisition costs are an insignificant component of consumer energy prices and that determining acceptable compensation for use of their lands is a fundamental aspect of tribal sovereignty. Additionally, tribes point to compensation from rights-of-way as being a significant source of revenue for funding tribal governmental operations.

I hope the study provides us with an analysis of the costs to consumers associated with the compensation received by tribes for energy-related rights-of-way across tribal lands. If those costs are an insignificant percentage of overall consumer energy costs, we may very well conclude that the cultural value associated with preservation of tribal governments is worth that cost. On the other hand, if the cost to energy consumers is a major factor in soaring energy costs, there may be a need to alter the status of current law.

I applaud the two Departments for working together to address this issue and I trust that the outcome will assist us in understanding the policy implications related to this contentious issue.

Regards,

  
Jim Isgar  
State Senator

cc: Chairman Clement J. Frost, Southern Ute Tribe  
Chairman Manual Heart, Ute Mountain Ute Tribe